



**KEMENTERIAN  
PERDAGANGAN ANTARABANGSA DAN INDUSTRI**

**VOICE OF THE SOUTH SUMMIT**

**REMARKS/INTERVENTION**

**BY**

**YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL TENGKU ABDUL AZIZ  
MINISTER OF INTERNATIONAL TRADE AND INDUSTRY MALAYSIA**

**FOR**

**SESSION VI: DEVELOPING SYNERGIES IN THE SOUTH: TRADE,  
TECHNOLOGY, TOURISM AND RESOURCES**

**13 JANUARY 2023 (FRIDAY)  
18.30 – 20:30 HRS (MALAYSIA TIME)  
VIA VIRTUAL PLATFORM**

His Excellency Piyush Goyal,  
Minister of Commerce & Industry, India

My fellow colleagues,

Good evening and namaste.

- First and foremost, my appreciation to H.E. Piyush Goyal for inviting me to be part of this important online session.
- I wish to also congratulate India for assuming the Presidency of the G20 this year. As the world's fifth largest economy and one of the fastest growing economies in the world, I believe India would truly represent the voice of the global south towards a more balance future-oriented development agenda.

### **Building A Resilient Economic Ecosystem**

Excellencies,

- This year is predicted to be a tougher year for the global economy, as the world is still grappling with the pandemic and steep challenges shaped by the lingering effects of far-from-over geopolitical frictions, a cost-of-living crisis caused by persistent inflationary pressures and potential slowdown or even recession in some of the major economies.
- As the global economy continues to navigate the stormy waters, I give my commitment that Malaysia as a trading nation would continue to ensure **trade and investment** remain a key driver to sustain our

growth trajectory, restore investors' confidence to increase **foreign direct investments** and continue our commitment in the **rules-based multilateral trading system**.

- Concurrently, Malaysia will continue to engage constructively at the regional and multilateral fora as well as remain open to actively pursue Free Trade Agreements (FTAs) and economic cooperation, which would bring tangible benefits to the participating countries. It bears stressing that **'No man is an Island'** and that the online session today is very much timely.

### **Investing in Sustainability and Green Economy**

Excellencies,

- As expectations around sustainability and green agenda escalate, Malaysia too is feeling the brunt of significant pressure to prove its sustainability credentials and continue to make them a central part of its value proposition.
- To this end, the Government has made a conscious commitment to balance economic growth with environmental sustainability by synchronising our economic development with the global ESG trend.
- Malaysia's National Investment Policy (NIP), which was launched last year, has been designed with ESG principles at its core. In this vein, my Ministry is currently spearheading the formulation of the National Framework on Industry Environmental, Social and Governance (iESG) for the manufacturing sector, with an emphasis on SMEs, to assist them to comply with ESG principles.

- During my tenure as the Minister of Finance, I initiated various measures to institutionalise ESG, notably the proposed establishment of an Integrated National Financing Framework, the establishment of the MySDG Foundation and the Sustainable Finance Roadmap.
- In building a conducive ecosystem for the successful adoption of green agenda, Malaysia has recently introduced the Bursa Carbon Market (BCX) on 9 December 2022, **the first Shariah-compliant carbon exchange in the world** that allows ESG and Shariah compliant products, such as carbon credits from projects with measurable climate action outcomes, to be traded on a voluntary basis by companies involved in climate-friendly projects and solutions and eventually offset their emission footprints. This initiative will encourage the corporate sector to be part of Malaysia's green aspiration in achieving our target of net zero GHG emissions by 2050.
- All these are the clear testament that we, a developing country, is synergizing our economic growth with the growing call for sustainability around the globe.

Excellencies,

- In our enthusiasm to transition our economies premised on the **green** and sustainability **agenda**, if done in a haste, it could potentially bring negative spillover effects. The International Labour Organisation has projected that Southeast Asia could potentially lose around half a million jobs in fossil fuels by 2050 but could also gain around five million jobs, mainly in the renewable energy (RE) sector. Job losses

due to the shift to green economy, as well as indirect job losses related to the industry, would be detrimental and disruptive to the labour market of developing countries.

- On the other hand, the lack of capability in transforming their economies would also further prolong developing countries' transition.
- While there was a clear recognition that the developing economies on our part need to address our domestic challenges to manage any spillovers effectively, this responsibility should also be shared by the developed countries, particularly in providing the necessary capital, technical and capacity building assistance. In a world of increasing global economic interconnections, simply shirking this obligation will consequently diminish the opportunities to leverage on each other's strengths, in particular the much sought-after natural capital from the south, and the technology and capital from the north, which are widely abundant.

### **Closing Remarks**

Excellencies,

- The global crisis has shown the importance for the economy to be adaptive, agile and responsive in order to survive and sustain. To this end, I am inclined to view the crisis presents an opportunity for our country to work with our partners in ensuring sustainable economic growth.

- In the grander scheme of things, developed and developing countries must join hands at the bilateral, regional and multilateral levels to embark on the long journey to achieve sustainable development in the long run. Joint efforts by countries around the world will help address economic and social challenges and prepare for our future.
- Hence, we need to redouble our efforts to make even greater progress in achieving a new global economy that is premised on the principles of sustainability, inclusion and resilience.
- Again, I would like to thank the Ministry of Commerce & Industry, India for initiating this online session and I sincerely hope that today's session will achieve its objectives to help push our agenda and for the voice of the south to be heard.

Thank you.